

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Luncheon Meeting with Russian President Boris Yeltsin (U)

PARTICIPANTS: U.S.

The President
Thomas Pickering, U.S. Ambassador to Russia
Leon Panetta, Chief of Staff to the President
Strobe Talbott, Deputy Secretary of State
Samuel Berger, Deputy Assistant to the
President for National Security Affairs
James Collins, Ambassador-at-Large to the
New Independent States
Ashton Carter, Assistant Secretary of Defense
Coit Blacker, NSC (Notetaker)

Russia

President Yeltsin
I. S. Ivanov, Deputy Foreign Minister
Yu. M. Vorontsov, Russian Ambassador to
the United States
Yu. M. Baturin, President's National
Security Assistant
D. B. Ryurikov, President's Foreign
Policy Assistant
A. A. Kokoshin, Deputy Defense Minister
G. E. Mamedov, Deputy Foreign Minister
N. N. Spasskiy, Head, North America
Department, MFA

DATE, TIME April 21, 1996, 12:50 -- 2:15 p.m.
AND PLACE: The Kremlin

The President: (To Yeltsin) Thank you for the tour. I would not have believed it if I hadn't seen it myself. (U)

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President Yeltsin: You're welcome. It is splendid, especially in the evening when we have candles. (U)

We don't have to make speeches today, just a toast to my good friend, the President of the United States of America, Bill Clinton. (I wish you) every success. We are witnessing his current success; the whole world is. (X)

We affirmed during our negotiations that we will be conducting an honest, equal partnership. We have already decided many issues, which we will take up at the press conference. (X)

The President: Before we start, I would like, on behalf of the American delegation, to offer a toast to President Yeltsin's physical and political health -- and with real gratitude for the summit we've just had and for our partnership, now and in the future. (X)

President Yeltsin: Thanks, Bill. (U)

It goes without saying that all our political sentiments are turning around the upcoming election. You have already started your political campaign, although your election is still far away. I would like briefly to describe our situation. (X)

All in all, 49 candidates applied for candidacy. One million signatures are required. There were among them some who were not serious, who didn't belong. Today we have only six candidates. Every candidate has his own constituency. No one will be able to succeed except two: myself and Zyuganov. All others will get no more than ten percent. But they can add their votes to his or subtract them from mine. So now I have to work with four candidates and make them favorable to me, especially if we go to a second round. I have set firmly the task of winning in the first round. So I would ask you not to embrace Zyuganov in advance. (X)

The President: You don't have to worry about that. We spent fifty years working for the other result. (X)

President Yeltsin: Our people understand what is at stake. They understand that a return to communism would be a blow to them and to the entire world. Zyuganov uses the tactic of claiming he is a social democrat. This won't fly. He would cancel reforms and abolish privatization. (X)

Of course, Russia cannot afford to have him as president. Russia has been reforming for centuries but never carried them all the way through. Peter the Great, for example. Catherine. And

Stolypin. But they didn't succeed. At that time, the social democrats worked against reform. (C)

The power set up today is such that my rating has been going up for the last month and a half. The Big Eight meeting will add to my rating. This summit on nuclear safety and security is a great thing. People who are undecided will have to make up their minds now and this will help. (C)

The President: I noticed that you've gotten thinner. But you need to eat something. (U)

President Yeltsin: I do not eat a lot in the morning or at night; during the day I eat, certainly. I eat about half of (what I'm served). This is roast duck (pointing to what is being served). People thought all grouse had been shot under Khrushchev. This is a small one. They were hunted all over the Soviet Union. Some did manage to survive, however, and now they are growing in number. (U)

The President: Is there a special hunting season now? (U)

President Yeltsin: Khrushchev hunted them year-round. There is no grouse season any more. (U)

Let us take up the election campaign. There is a U.S. press campaign suggesting that people should not be afraid of the communists; that they are good, honorable and kind people. I warn people not to believe this. More than half of them are fanatics; they would destroy everything. It would mean civil war. They would abolish the boundaries between the republics (of the former Soviet Union). They want to take back Crimea; they even make claims against Alaska. Let us say you have to imagine that there is something wrong with what they have to think with. (C)

There are two paths for Russia's development. I do not need power. But when I felt the threat of communism, I decided that I had to run. We will prevent it. (C)

On Chechnya, we have sufficiently discussed this matter. Do you agree? (C)

The President: Yes. (U)

President Yeltsin: I would like to say a few words about CIS integration. This has started, and it is very interesting. We have now had the experience of living in separate quarters. It does not feel very good. Russia is leading this process of integration, although we have our own difficulties. Integration

is the process of restoring the economic ties among us. For instance, we build our submarines out of five ports; four were rendered inoperative (by the breakup of the Soviet Union). Now we have only one, at Murmansk. (S)

Today we have advanced greatly with Belarus and concluded a treaty with them, sanctified by the Patriarch that it should be eternal. As Slavic and Orthodox people and as neighbors, this integration process keeps moving forward. We have abolished state borders and custom duties between our two countries and agreed on the parameters for our foreign trade. We have agreed to establish a special supranational council and committee. The same thing is taking place at a lower level with Kazakstan and Kyrgystan. (S)

We hope to have political stability in these countries; integration will also help to advance reforms. We will establish a joint interparliamentary committee. We have in mind something similar to the EU. (S)

We discussed ABM and CFE issues, so I won't address these now. (S)

I would ask the President of the United States to support the results of our reform efforts -- that Russia has become a democratic country, a country based on laws -- and to support Russia's becoming a full member of the G-7. We turn to you, Bill. There are certain nuances that are worth considering, but our people will be enthusiastic at this. (S)

I understand that we will not be able to have a meeting on this before our election. Even without such a meeting, Yeltsin will become president of Russia again. But it would add 10 percent to my vote. (S)

You know, Bill, in this Russian campaign you are a factor. This is not well known, perhaps, but psychologically this is very important. (S)

The President: I'm aware that there are some people eager to stir up resentment against the West and against the U.S. in particular. There's an even bigger feeling that we have had all this "partnership" with the West but what difference has it made? So I've been trying to find a way to say to the Russian people "this election will have consequences," and we are clear about what it is we support. But I don't want to say something that could be used against you. (S)

This is your first real election. I think it was Aristide who said that it's the second election that's really important. I'm

trying to handle this in the most appropriate way. In my own home state, where I was governor, in our whole history there was only one politician from outside who ever had a positive effect on an election. And that was during the Great Depression. In 1984 President Reagan was wildly popular in my home state and came to Arkansas to campaign against me. But when the votes were counted he got 60 percent for president and I got 60 percent for governor. I'm trying to figure out a way to do this that will give you all the benefits and none of the disadvantages. Because Reagan asked them to do it, many voted against him. (S)

In the press conference I tried to sketch out reasons why people should vote for you, to say what would be most helpful. Also, I have watched your improvement in the polls with great interest, and I think this nuclear summit will help you a great deal. Ordinary people will see that you are doing the right things. It seems to me that the most powerful way for me to help is to be a genuine partner and to demonstrate that the policies you are following are the best ones for Russia. Otherwise, you become vulnerable to the charge that, "oh well, it's just politics," as opposed to the United States supporting policies that Yeltsin is responsible for. (S)

On the expansion of ties between Belarus, Kazakstan and Kyrgyzstan, I believe as you move closer it won't be a problem as long as it's in their interest, the decisions are freely entered into and their sovereignty is respected. I have no problem with that. We have such special relationships with several of the smaller Caribbean countries. (S)

On the question of the G-7, "the Eight" business, my own thinking on this, and of the others, although I haven't had a chance to check with them today, the point is that the growing success of Russia, its involvement with the world, have made Russia more important. We're doing a lot of work at the Eight. And all of us agree there needs to be some way to recognize the importance of Russia in these discussions. (S)

Here's the problem -- we've had our people, Strobe can tell you, meet four times on this -- the G-7 has an ongoing and important role in the world. The regular meetings of the finance ministers are the closest things we have to coordinated fiscal policy among the world's richest countries; the Western world can't grow if we were fighting about this all the time. So far, this effort has not been opposed by any of the rapidly growing economies elsewhere because they realize someone has to do this. (S)

The question before us is simple. How to do what Russia needs, while keeping this other function going? We would come under

great pressure to expand beyond the G-7 or G-8 by Mexico, South Korea, Brazil, for instance, if we were to do anything. (S)

We're looking for ways to build up the Eight. There is a strong consensus among the G-7 to maintain its economic coordinating function. So the question is how to elevate the political function of the P-8? (S)

President Yeltsin: So I wonder about your specific proposal for enhancing Russia's role in the G-7? (S)

The President: I want to come back to you before Lyons with a G-7 position on this. Give me a little time to work this and to get back to you before Lyons. There is no doubt that the P-8 has strong support, as evidenced by the nuclear summit; there's a clear need to institutionalize it. At the same time, there is clear support for the continuation of the G-7. We want to ensure that the Eight becomes in the public mind not some "little brother" of the G-7 but something important on its own merits. (S)

President Yeltsin: I understand the G-7 having a special role. On the other hand, we also have to take into account that Russia will be on the rise. We should not forget that some 12 countries are hanging around our neck; we are the largest lender in the CIS. In two months, we will declare the ruble fully convertible. All this moves us closer to the terms of reference of the G-7. Give us opportunities to gain some experience. (S)

Well, you know, had this come up before lunch, we probably wouldn't have had any lunch at all. What is important is that we're working to find approaches, a way out. I cannot agree to the "7 Plus 1" formula; I also understand that we cannot reach the level of a full G-8. You have to keep in mind that we are a great power, which affects how people think about this. So, we need to be very elegant about this, very elegant. (S)

The President: One more thing. You know how we -- the President of France, the President of the U.S. -- feel about your reelection. But I'm the one who has to count the votes and solve the problems. I love it. But it's my job. I agree with the formulation that you have just announced. This is a big deal to me. And I will do my very best to work it out in a way that's helpful to you. (S)

President Yeltsin: Okay. Agreed. (S)

The President: One more thing: regarding plutonium and what can be done with the idea of plutonium-consuming reactors. We're ready to begin discussion of a joint project. (S)

President Yeltsin: We have a project that uses plutonium and uranium in one fuel that can be used in reactors. If you combine these in one brick, you can prevent it from being used for weapons purposes and it can be a fuel source. We have some 800 tons of plutonium. (S)

The President: My expert on this is Dr. Carter. We should have Carter and (Deputy Defense Minister) Kokoshin discuss this. (S)

President Yeltsin: Yes, we have common problem of destroying plutonium. (S)

-- End of Conversation --